

Message Text

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PAGE 01 STATE 051013
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-----063728 281605Z /46

O 281549Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY LISBON IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, ECON, PO

SUBJECT: DRAFT PRESS RELEASE

REF: LISBON 1446

1. FOLLOWING IS DEPARTMENT'S REVISION OF PROPOSED PRESS
RELEASE ON BALANCE OF PAYMENTS LOAN.

2. BEGIN TEXT: THE BANK OF PORTUGAL AND THE GOVERNMENT
OF THE UNITED STATES SIGNED AN AGREEMENT IN LISBON TODAY
UNDER WHICH THE UNITED STATES GOVERNMENT WILL MAKE
AVAILABLE TO PORTUGAL DURING 1978 \$300 MILLION FOR
BALANCE OF PAYMENTS SUPPORT. SIGNING ON BEHALF OF THE
BANK OF PORTUGAL WERE (NAMES AND TITLES). HERBERT S.
OKUN, CHARGE D'AFFAIRES OF THE AMERICAN EMBASSY IN LISBON,
SIGNED FOR THE UNITED STATES GOVERNMENT. THIS \$300
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MILLION LOAN IS PART OF A COORDINATED INTERNATIONAL AR-
RANGEMENT DEVELOPED OVER THE LAST YEAR AND A HALF IN
CONJUNCTION WITH THE GOVERNMENT OF PORTUGAL. THE PURPOSE
OF THE LOAN IS TO SUPPORT THE PORTUGUESE GOVERNMENT'S
PROGRAM FOR ECONOMIC RECOVERY. END TEXT.

3. FOLLOWING ARE TWO QUESTIONS AND ANSWERS ON WHICH THE

DEPARTMENT WOULD LIKE THE EMBASSY'S VIEWS. THEY WOULD
BE USED IN DEPARTMENT AND EMBASSY BRIEFINGS ONLY ON AN

IF ASKED" BASIS.

Q. WHEN IS THE U.S. GOING TO MAKE THE FIRST DISBURSEMENT
UNDER THE LOAN?

A. THE U.S. WILL DISBURSE THE LOAN AS SOON AS THE
TECHNICAL CONDITIONS SPECIFIED UNDER THE LOAN AGREEMENT
HAVE BEEN MET.

Q. IS THE U.S. GOING TO ALLOW THE IMF TO SET THE TERMS
OF DISBURSEMENT?

A. THE UNITED STATES AND PORTUGAL JOINTLY AGREED ON THE
TERMS OF DISBURSEMENT IN NEGOTIATIONS THAT WERE STRICTLY
BILATERAL. THE LOAN IS PART OF A COORDINATED INTERNA-
TIONAL ARRANGEMENT THAT ALSO IS TO INCLUDE A SECOND IMF
STANDBY AGREEMENT. VANCE

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Message Attributes

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Concepts: PRESS RELEASES, BALANCE OF PAYMENTS
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Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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